

# FISCAL NOTE

**Bill #:** SB0454

**Title:** Delay in increases in block grants counties for schools

**Primary Sponsor:** Story, B

**Status:** Second Reading as amended in Senate Finance

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2003 Difference</u></b>	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>			
General Fund	\$0	\$156,855	\$158,147
<b>Net Impact on General Fund Balance:</b>	\$0	(\$156,855)	(\$158,147)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget         | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached          | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. SB 454 adjusts the county school block grants to account for incorrect reporting of FY 2001 non-levy revenue sources by the counties to OPI.
2. Under current law in FY 2003 the county elementary retirement fund will receive \$6,139,506, the county high school retirement fund will receive \$3,723,973, and the county transportation fund will receive \$1,637,439. Under SB 454 FY 2003 will remain the same as current law, but the corrected amounts for FY 2003 will be used in the calculation of FY 2004 and thereafter. The corrected FY 2003 county elementary retirement fund will be \$6,326,685, the county high school retirement fund will receive \$3,900,990, and the county transportation fund will receive \$1,650,088.
3. The adjustment described in assumption 2 will increase the county block grants by \$189,855 in FY 2004 (\$188,423\*1.0076) and by \$191,297 (\$189,855\*1.0076) in FY 2005. These increases will reduce the state payment for county retirement GTB by \$33,000 in FY 2004 and \$33,150 in FY 2005.

**Fiscal Note Request SB0454, Second Reading as amended in Senate Finance**  
(continued)

FISCAL IMPACT:

	<u>FY 2003 Difference</u>	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>			
Local Assistance OPI	\$0	\$156,855	\$158,147
<u>Funding of Expenditures:</u>			
General Fund (01)	\$0	\$156,855	\$158,147
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>			
General Fund (01)	\$0	(\$156,855)	(\$158,147)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

In general county mill levies will be lower in FY 2004 and FY 2005 under SB 454 than they would have been under current law.

TECHNICAL NOTES

SB 454 amends the FY 2003 county retirement and transportation block grants based on information collected by the Montana Association of Counties (MACO) from county treasurers. The information reported to MACO was different from the information that counties reported to the Office of Public Instruction on the County Treasurers Report of Countywide School Funds (FP-6b). Only one county (Powder River) submitted an amended County Treasurers Report to OPI.